

FINANCE DEPARTMENT

The Finance Department provides financial services to the city administration in the most effective and efficient manner possible through the development and application of sound operating procedures and through the continued enhancement of the city's financial recording and reporting systems. This is accomplished by utilizing to maximum capacity the financial and personnel resources appropriated to the department.

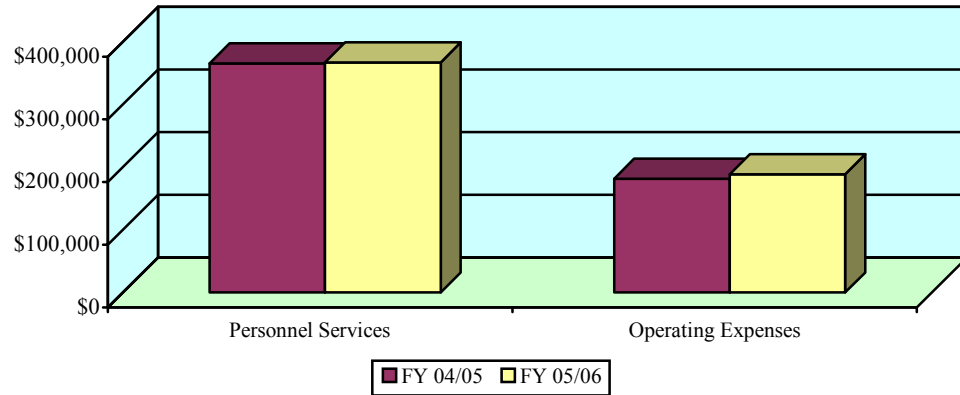
<u>Administration</u>	<u>Appropriation: \$ 555,642</u>
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The Administrative Office directs and supervises the daily activities of the functional programs, and works through the Governing Body and City Manager in establishing and implementing the city's fiscal policies to ensure the highest degree of financial responsibility and accountability. Through the various operating programs in the department, the Finance Director is responsible for providing financial, accounting, budgeting, purchasing and administrative services.

The General Fund operating budget for administration provides funding for salaries and benefits of the Department Director and three staff members; and general liability, fleet-physical damage and property insurance coverage for the entire department. The budget also includes \$95,000 for contracted audits and \$74,090 for the department's general liability insurance coverage.

<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05 ACTUAL</u>	<u>FY 05/06 BUDGET</u>
Department Director	1 – EX	1 – EX
Administrative Assistant	1 – CLFT	1 – CLFT
Cash Management & Investment Officer	1 – CLFT	1 – CLFT
Office Manager	<u>1</u> – EX	<u>1</u> – EX
TOTAL:	4	4

EXPENDITURE CLASSIFICATION



	FY 04/05 <u>REVISED</u>	FY 05/06 <u>APPROPRIATION</u>
Personnel Services	\$ 365,625	\$ 367,218
Operating Expenses	<u>181,443</u>	<u>188,424</u>
 TOTAL:	 \$ 547,068	 \$ 555,642

The purpose of the Budget Office is to assist in the development and implementation of a financial plan that provides a basis for control by the Mayor and Council over municipal operations. The Budget Office is responsible for providing technical support to city departments in the development, preparation and implementation of the annual operating budget and midyear budget review.

2004/05 Operational Highlights:

- Enhanced the 2004/05 budget document and received the Distinguished Budget Presentation Award Certificate from the Government Finance Officers Association (September 2003).
- Continued to work with the Finance Committee to incorporate strategic planning and goal setting for development of FY2005/06 budget (March 2004).
- Streamlined forms required for departmental budget requests and reduced the amount of data transcription and verification required.
- Continued development of a stand-alone database system to provide enhanced reporting and data mining capabilities as well as improved time efficiency in developing budget publications and ad hoc reports.

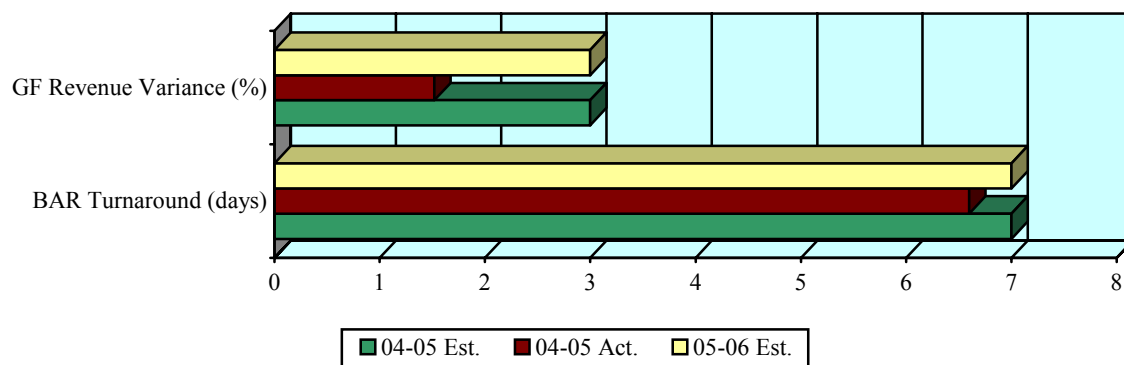
2005/06 Goals and Objectives:

- Provide information and training to departments on budget policies and monitoring, enabling greater efficiency and accountability in city operations by assuring that spending needs are properly balanced against fund availability.
- Produce a budget calendar, assist in preparing revenue and expenditure adjustments and coordinate presentation of the review to the governing body.
- Collect and consolidate budget policies, program measurements, and goals and objectives, and improve performance measurements produced in budget development in anticipation of strategic planning at the senior administrative and governing body levels.
- Develop budget forms, instructions and calendars while streamlining the budget process and including more comprehensive budget policy guidance in response to strategic planning initiatives.
- Continue to develop the database system for use in all aspects of the budget development process, allowing for an improved work product in less time.

Budget Commentary:

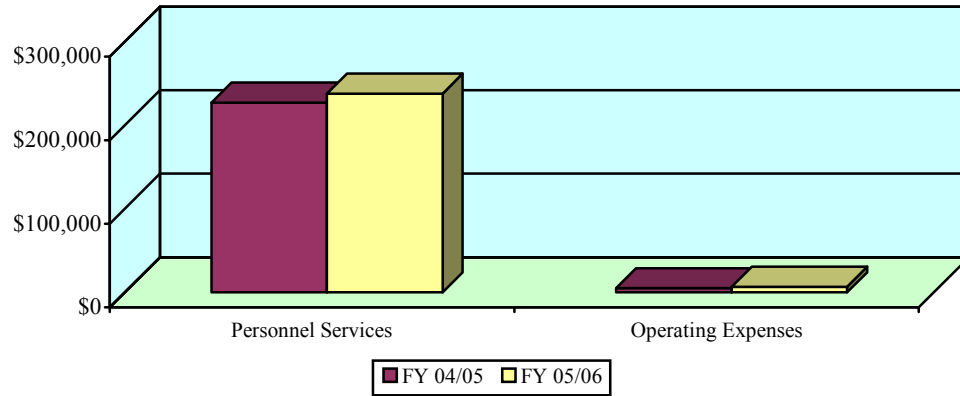
The General Fund provides funding for the salaries and benefits of the Budget Director and two staff members, and the costs associated with the production and printing of the annual operating budget document.

<u>Standard Program Measurements:</u>	<u>04/05</u> <u>EST.</u>	<u>04/05</u> <u>ACTUAL</u>	<u>05/06</u> <u>EST.</u>
1. Percent variance between estimated General Fund revenue and actual	±3.00%	-1.52%	±3.00%
2. Average turnaround time for budget adjustment requests (days)	7.0	6.6	7.0



<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05</u> <u>ACTUAL</u>	<u>FY 05/06</u> <u>BUDGET</u>
Budget Division Director	1 – CLFT	1 – CLFT
Budget Analyst	1 – CLFT	1 – CLFT
Budget Database Analyst	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	3	3

EXPENDITURE CLASSIFICATION



	FY 04/05 <u>REVISED</u>	FY 05/06 <u>APPROPRIATION</u>
Personnel Services	\$ 227,181	\$ 237,739
Operating Expenses	<u>5,000</u>	<u>6,600</u>
TOTAL:	\$ 232,181	\$ 244,339

The purpose of the Financial Management Division is to maintain a financial reporting system that will adequately safeguard and account for the city's assets. Its primary function is to provide complete and accurate financial information in proper and timely form to the Governing Body, city administration and citizens of Santa Fe.

The Division Director provides direction and management to the cashier's office, payroll, accounts receivable, accounts payable, and accounting units. The Accounting office is responsible for the day-to-day upkeep of the city's general ledger accounting system, financial statement preparation and monitoring of grant budgets. Accounts Payable maintains effective control and timing over the disbursement of city funds. Payroll maintains accurate employee payroll records and processes payroll checks for over 1,800 employees. The Cashier's Office receives, controls, and accurately records all cash remittances made to the City. Accounts Receivable maintains accurate financial records of billings and payments owed the city, and ensures that all delinquent accounts are properly documented and collected.

2004/05 Operational Highlights:

- Increased collection of all accounts receivable.
- Completed the Comprehensive Annual Financial Report (CAFR) for FY 2003/04.
- Improved fixed assets reporting and accountability.
- Received a Certificate of Achievement for excellence in financial reporting from the Government Finance Officers Association for the FY 2003/04 Annual Financial Report.

2005/06 Goals and Objectives:

- Provide the city management with continuous and accurate financial information.
- Implement and update automated employee time sheets in Payroll.
- Finalize the pending update for the city's financial procedures manual.
- Monitor expenditures and revenues according to federal and state rules and regulations.
- Develop invoice imaging capabilities in Accounts Payable.

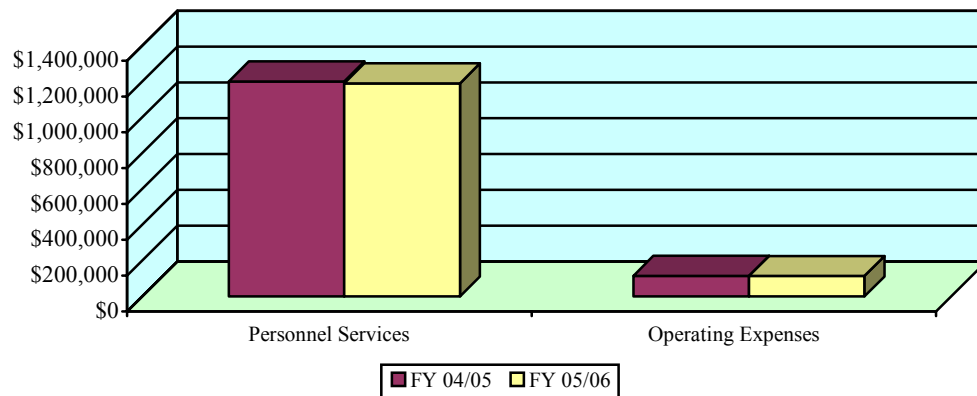
Budget Commentary:

The General Fund appropriation of \$1,304,249 provides funding for staff salaries and benefits, and contractual services for printing of the financial manual. For FY 2005/06, the largest single category of expenses (after salaries and benefits) is professional services, wherein \$56,162 is budgeted for fiscal agent services, armored car services, payroll data conversion, and printing/mailing of ambulance bills.

A full-time Accountant position was added to the Financial Management Division in the FY 2005/06 budget.

<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05 ACTUAL</u>	<u>FY 05/06 BUDGET</u>
Financial Management Division Director	1 – CLFT	1 – CLFT
Accountant	1 – CLFT	2 – CLFT
Accounting Supervisor	4 – CLFT	4 – CLFT
Administrative Manager	1 – CLFT	1 – CLFT
Account Technician	10 – CLFT	9 – CLFT
Database Specialist	3 – CLFT	3 – CLFT
Financial Analyst	2 – CLFT	3 – CLFT
Financial Analyst	1 – TCF	1 – TCF
Payroll Technician	2 – CLFT	2 – CLFT
Senior Financial Analyst	1 – CLFT	1 – CLFT
Special Funds Financial Analyst	2 – CLFT	2 – CLFT
Water Operations Accounting Supervisor	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	29	30

EXPENDITURE CLASSIFICATION



	<u>FY 04/05 REVISED</u>	<u>FY 05/06 APPROPRIATION</u>
Personnel Services	\$ 1,201,019	\$ 1,189,992
Operating Expenses	<u>115,863</u>	<u>114,257</u>
TOTAL:	\$ 1,316,882	\$ 1,304,249

Utility Customer Service

Appropriation: \$ 2,690,145

The Utility Customer Service Division is responsible for reading water meters; providing monthly utility bills; responding to customer questions, concerns, requests and problems; and collection of delinquent customer accounts. The division is also charged with providing complete and accurate financial data to the Governing Body, the Finance Director, the utility enterprise divisions and the citizens of Santa Fe.

The Utility Customer Service Division consists of three sections: Meter Reading, Customer Service, and Collections. All three sections work as a cohesive team to assure accurate meter reading, billing and customer service for over 33,000 utility accounts. The division works closely with the Water, Wastewater and Solid Waste Divisions to ensure that services are properly rendered, customer problems are addressed, and that all divisions are kept abreast of problems or potential problems with their systems, procedures or processes. The division also works extensively with the Public Utilities, Water Conservation and Water Rate Steering Committees to provide assistance, information and reporting as required.

2004/05 Operational Highlights:

- Continued development of a comprehensive set of policies and procedures for the division.
- Completed the Remote Meter Reading System pilot program for approximately 1,000 residential and commercial water accounts, resulting in a recommendation for full-scale implementation of the program.
- Continued an aggressive program for collection of delinquent accounts.
- Continued the Customer Service Call Monitoring System and associated customer service training.
- Created and initiated a utility billing dispute resolution procedure and contracted with an independent hearing officer to assist in resolving customer disputes.
- Worked closely and successfully with the Water Services Division on several projects, including an unaccounted-for water audit, new utility rate recommendations, an annual meter replacement program, and a new bill format which includes a water usage graph.
- Remodeled the Customer Service area for safety, comfort and increased efficiency.

2005/06 Goals and Objectives:

- Continue the development of and necessary modifications to division policies and procedures.
- Continue to plan for city-wide implementation of the Remote Meter Reading Pilot Project at the discretion of the City Council.
- Continue to monitor and evaluate customer service calls.

- Contract the services of a collections agency to assist in the collection of delinquent customer accounts.
- Remodel the customer service area to create a safer and more efficient working environment.
- Implement a new utility bill format, including a graph of historical water usage.
- Work with the Information Technology & Telecommunications Department on evaluation and purchase of software systems to enhance division productivity and efficiency.

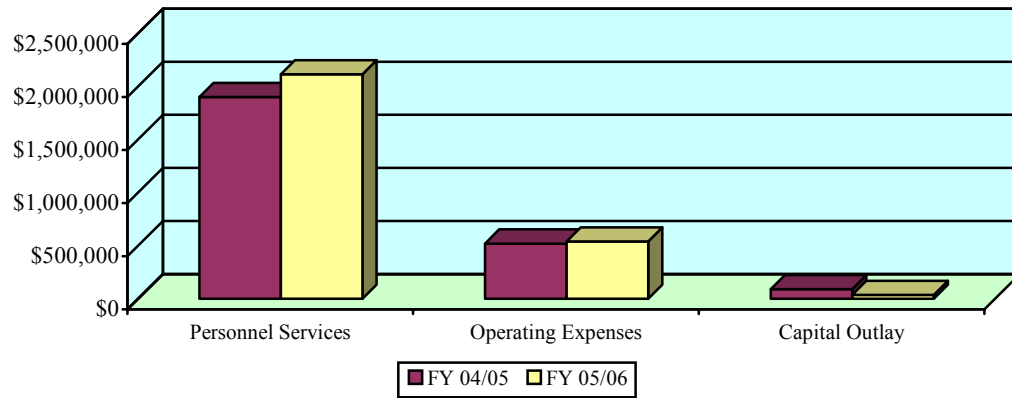
Budget Commentary:

The Utility Customer Service Division is supported by an appropriation of \$2,690,145 from the Utility Customer Service Fund (5205), which provides funding for 29 staff members and operational costs for the division. This fund is entirely supported by funding allocations from the Water, Wastewater and Solid Waste Utilities that are determined based on the share of division expenses attributable to each utility's customer service needs. Major division expenses for FY 2005/06 include printing and mailing of utility bills (including some contracted services) totaling \$251,262; various professional contracts in the amount of \$171,000; and computers and equipment purchases totaling \$39,100.

During FY 2004/05 an Account Technician was added to the Utility Customer Service Division. For the FY 2005/06 budget, an additional Account Technician was added; in addition, an Accounting Supervisor was reclassified to an Administrative Supervisor, and a Meter Reader was reclassified to a Meter Reader Service Technician.

<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05 ACTUAL</u>	<u>FY 05/06 BUDGET</u>
Utility Customer Service Division Director	1 – CLFT	1 – CLFT
Accounting Supervisor	1 – CLFT	0 – CLFT
Accounts Manager Collections Monitor	1 – CLFT	1 – CLFT
Account Specialist	1 – CLFT	1 – CLFT
Account Technician	8 – CLFT	10 – CLFT
Administrative Secretary	1 – CLFT	1 – CLFT
Administrative Supervisor	0 – CLFT	1 – CLFT
Collections Manager	1 – CLFT	1 – CLFT
Customer Service Manager	1 – CLFT	1 – CLFT
Database Specialist	2 – CLFT	2 – CLFT
Lead Meter Reader	1 – CLFT	1 – CLFT
Meter Reader	6 – CLFT	5 – CLFT
Meter Reader Service Technician	0 – CLFT	1 – CLFT
Meter Reading Supervisor	1 – CLFT	1 – CLFT
Utility Billing Investigator	1 – CLFT	1 – CLFT
Utility Collections Investigator	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	27	29

EXPENDITURE CLASSIFICATION



	<u>FY 04/05 REVISED</u>	<u>FY 05/06 APPROPRIATION</u>
Personnel Services	\$ 1,900,050	\$ 2,115,085
Operating Expenses	520,089	539,460
Capital Outlay	<u>90,050</u>	<u>35,600</u>
 TOTAL:	 \$ 2,510,189	 \$ 2,690,145

The Purchasing Division is charged with the responsibility for procuring all materials, goods and services for city departments. Purchasing enforces and ensures compliance with federal and state laws and regulations, city procurement regulations, and city fixed assets reporting and procedure requirements. The division also reviews, authorizes and processes all purchase requisitions and requests for bids and proposals; maintains the city's inventories; operates the motor pool; and disposes of surplus assets.

2004/05 Operational Highlights:

- Continued to work with and improve the online fixed asset and inventory system to ensure efficiency and effectiveness in division operations.
- Maintained a level inventory value despite a 12% increase in Water Division inventory.
- Continued to provide effective, cost-efficient inventory and purchasing services to all city departments.

2005/06 Goals and Objectives:

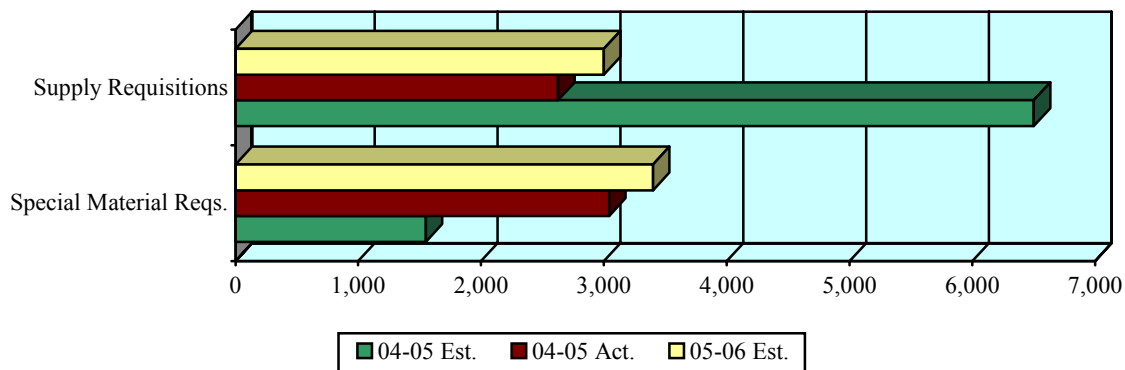
- Update and reprint the City Purchasing Manual to incorporate major changes in areas including the design/build process and Federal Transportation Commission requirements for the Transit Division.
- Process all requisitions, bids and proposals in the most professional manner, processing in such a way as to maximize the competitive nature and fairness of each.
- Maintain warehouse functions in an efficient, cost-effective manner.
- Provide a safe and friendly environment for employees.

Budget Commentary:

The FY 2005/06 operating budget of \$451,786 is supported by the General Fund and supports the salaries and benefits for 10 staff members. Also included are the operating expenses for the division and equipment necessary for division operations. Salaries and benefits comprise the majority (90.7%) of the division's FY 2005/06 budget.

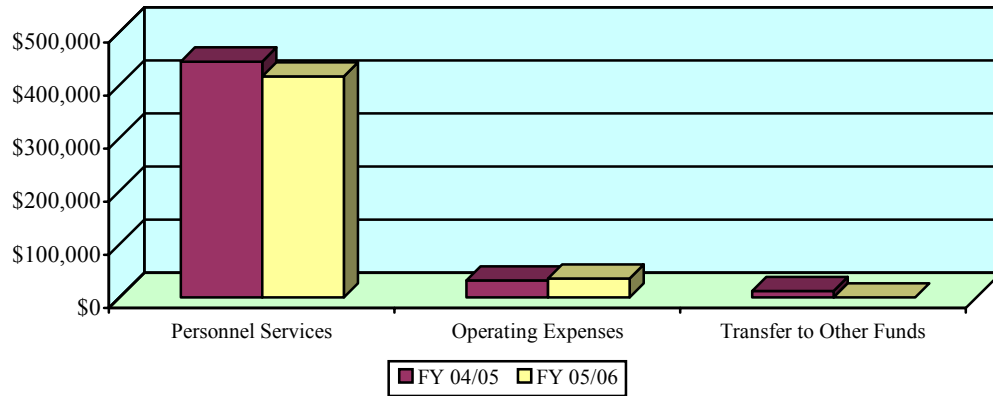
During FY 2004/05, an Accounting Supervisor position was moved to the City Manager's Office and reclassified as an Assistant City Manager. The Grants Writer position was deleted in the FY 2005/06 budget.

<u>Standard Program Measurements:</u>	<u>04/05</u> <u>EST.</u>	<u>04/05</u> <u>ACTUAL</u>	<u>05/06</u> <u>EST.</u>
1. Number of purchase orders processed	14,100	13,589	14,100
2. Number of supply requisitions processed	6,500	2,628	3,000
4. Special material requisitions	1,550	3,043	3,400
5. Number of requests for bids and proposals	110	107	110



<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05</u> <u>ACTUAL</u>	<u>FY 05/06</u> <u>BUDGET</u>
Purchasing Officer	1 – CLFT	1 – CLFT
Accounting Supervisor	1 – CLFT	0 – CLFT
Account Technician	1 – CLFT	1 – CLFT
Administrative Assistant	1 – CLFT	1 – CLFT
Database Specialist	3 – CLFT	3 – CLFT
Grants Writer	1 – TGF	0 – TGF
Supply/Inventory Technician	<u>4</u> – CLFT	<u>4</u> – CLFT
TOTAL:	12	10

EXPENDITURE CLASSIFICATION



	FY 04/05 <u>REVISED</u>	FY 05/06 <u>APPROPRIATION</u>
Personnel Services	\$ 444,255	\$ 416,343
Operating Expenses	32,000	35,443
Transfer to Other Funds	<u>12,000</u>	<u>0</u>
 TOTAL:	 \$ 488,255	 \$ 451,786

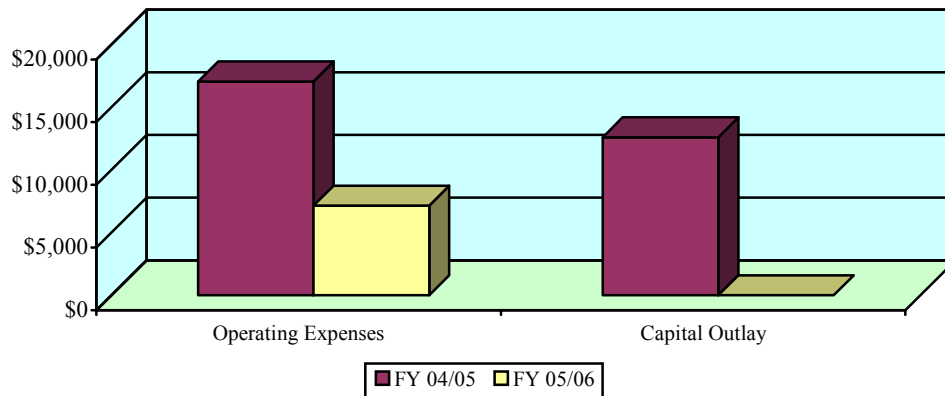
Capital Equipment Reserve

Appropriation: \$ 7,142

The Purchasing Office conducts an annual auction to dispose of surplus assets that are antiquated, obsolete or damaged. Operating costs incurred for the sale of fixed assets are paid from the Capital Equipment Reserve Fund. Following deposit of the auction proceeds, a distribution is made to each participating fund, with the General Fund portion remaining in this fund.

For FY 2005/06, the operating budget includes \$7,142 for auction-related expenses.

EXPENDITURE CLASSIFICATION



	<u>FY 04/05</u> <u>REVISED</u>	<u>FY 05/06</u> <u>APPROPRIATION</u>
Operating Expenses	\$ 17,060	\$ 7,142
Capital Outlay	<u>12,590</u>	<u>0</u>
TOTAL:	\$ 29,650	\$ 7,142